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EX PARTE OR LATE FILED

February 5, 2001

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Ex parte Presentation

RE: *In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147 and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98*

Dear Ms. Salas:

On Monday, February 5, 2001, the undersigned from SBC met with Bill Kehoe, Special Counsel, Policy and Program Planning Division, Common Carrier Bureau.

We discussed certain collocation items addressed by the Commission in its Second Further Notice of Proposed Rulemaking in CC Docket No. 98-147. We discussed the equipment ILECs must allow to be collocated and, specifically, we discussed the attached letter.

Sincerely,

C. Russell Jackson
Executive Director-Federal Regulatory

Enclosure

CC: Bill Kehoe

Russ Stanley
Vice President-
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January 26, 2001

Mr. Clifford G. Rudolph
Chairman & CEO
110 Stony Point Road
Second Floor
Santa Rosa, CA 95401

Dear Mr. Rudolph,

I am writing to address the concerns raised in your recent letter dated January 5, 2001 regarding SBC's local exchange carriers' (SBC's) policy on the collocation of battery distribution fuse bays ("BDFBs"). The following information is intended to individually address each of the concerns raised by ATG. As always, your SBC account team is available to discuss any remaining concerns that ATG may have after reviewing this information.

Overview

SBC's collocation policies regarding BDFBs are intended to ensure that power for CLEC equipment that is necessary for interconnection or access to unbundled network elements is available in an efficient and cost-effective manner, while complying with all legal requirements. BDFBs are not "necessary" equipment under collocation requirements; they are not the equipment that is directly used for interconnection or access to UNEs. Collocation of BDFBs ancillary to "necessary" equipment also is unnecessary, because CLECs have other alternatives for their power needs and collocated BDFBs are duplicative of common system components that SBC provides for all CLECs and its own use. In fact, the majority of CLECs collocating in SBC central offices do not collocate BDFBs. Collocation of CLEC BDFBs unnecessarily consumes floor space, rack space, and power plant capacity, as well as exposing SBC's network to higher potential failure rates through increased terminations. This inefficiency results in unnecessary cost increases for both SBC and CLECs.

ATG's primary concerns with SBC's revised policy regarding BDFBs appear to be that ATG's costs for power will rise and that provisioning intervals will increase. The existing options, described below, do neither. Additionally, as detailed in the Accessible Letter, BDFBs already in-place, pending installation, required to be allowed for collocation by existing tariffs or interconnection agreements, or located in adjacent space collocation are unaffected by SBC's revised policy.

Intervals

Precluding collocation of new BDFBs will not increase provisioning intervals. When a CLEC collocates additional equipment, there are always factors that create a provisioning interval, no matter whether the collocator places a BDFB within its collocation space or SBC provides the BDFBs. When ATG prepares to place new equipment within SBC's premises, ATG must complete and submit an application to SBC describing the new equipment.[1] SBC uses this information to determine the impact of the additional equipment on power, HVAC, heat dissipation, floor loading, ventilation, as well as other factors that affect not only ATG, but also SBC and other CLECs as well. Additionally, any new equipment to be collocated

[1] SBC legally is not allowed to use, and does not use, this information for competitive or retail purposes.

would require new cabling to connect that equipment to SBC's frames. The completion time for augment orders varies depending on the volume and complexity of each request and on the conditions prevalent in a particular office. As provided under the relevant tariffs, an interval 90 days or shorter would be quoted unless the power requested exceeds standards, additional space is requested, cage expansion is requested, or new racking is required. Thus, the interval for evaluating and fulfilling an application to install new equipment is the same as that for providing augmented power. Accordingly, it is expected that any required power addition could be provided within the interval for the collocation augmentation order with no additional lead-time and, thus, that the timing of the CLEC's receipt of the power augment would not be affected by whether or not the CLEC had its own collocated BDFB.

The absence of a BDFB within ATG's collocation arrangements will actually *increase* ATG's ability to fully utilize its space. For example, SBC does not restrict ATG to 20-amp feeds, as described in ATG's letter. SBC offers all CLECs a wide array of fused feeds for power from SBC's BDFBs (i.e. 3-70 amps). ATG could easily order a 70-amp feed from SBC and deliver those 70 amps of power to a power distribution unit (PDU). A PDU is a small distribution unit that can easily fit within any standard frame. A PDU is rated at 80 amps with 10-12 outputs per PDU. These units provide the very capability and functionality that ATG needs, while placing fewer demands on SBC's power plant. This would allow ATG the ability to disseminate the 70 amps as it sees fit on a schedule that suits ATG's needs. Further, if ATG believes that its power requirements will exceed 70 amps of power within a short period, SBC does not limit ATG's ability to order multiple leads to service those requirements in advance. According to ATG's December 26, 2000 Ex Parte letter, "ATG increased the power and functionality 3-5 times in each collocation cage it maintains in Reno, Nevada over the past twelve months." SBC has reviewed its records and found that ATG initially requested far less than 70 amps at each of the five ATG arrangements in or near Reno, Nevada, and has never sought to augment that power.

Costs

Several elements factor into the cost for power at a collocation arrangement, many of which were not referenced in ATG's January 5, 2000 letter. Such considerations, include the costs of cable, labor, power rate elements and application costs. In total, ATG's power costs will be markedly higher by collocating their own BDFB and provisioning power in the manner ATG describes. For example, if ATG were to provision 50 amps per month for 12 months, based upon Nevada Bell tariffs, SBC estimates ATG's costs would be $123,479.04. This is a minimum savings of $31,232.28 when compared to a cost of $154,711.32 for provisioning all 600 amps initially.[2] If ATG reduces the number of augments to fewer than twelve, the savings will increase. This example is based upon information contained in ATG's Ex Parte letter, such as ATG's amperage requirement of 400 to 600 amps.[3] Materials showing the derivation of these figures are attached.

Collocated BDFBs also increase SBC's costs dramatically. In part, this is because a power plant has a limited number of termination points. Given the substantial cost of a new power plant, the placement of multiple BDFBs by CLECs to serve what SBC could serve with a single BDFB will unnecessarily use the finite termination points on the power plant.[4] Additionally, there would be additional labor and material costs for cabling. The labor is a function of the length, weight, size, and flexibility of the cable. SBC's BDFBs serving collocation cages are typically placed near the collocation area, resulting in short cable lengths. The cable lengths to provide power to a BDFB from the power plant average 165 feet. If SBC is providing the power from its BDFB, the cables will be much smaller in size and have far more flexibility

[2] This is only one example of how ATG's power needs over time could be met more economically than by collocating BDFBs. SBC is willing to provide other examples to ATG upon request.

[3] 400-600 amps can only be served by a full sized BDFB, contrary to the mini-BDFB dimensions of 3'x2'x1' as stated by ATG. A full size BDFB requires a minimum of 10 sq. ft. of space.

[4] A BDFB must be cabled directly to the power plant for technical reasons.

than cables from the main power plant, reducing the amount of labor needed to run the cables.[5] SBC estimates that its total cabling costs are almost eight times higher with CLEC BDFBs than with CLEC PDUs[6]. These estimates do not include the increases in labor costs for running cables for multiple BDFBs versus SBC's centralized BDFB.

Necessary

The purpose of the Accessible Letter was to inform CLECs of SBC's change in collocation policy as a result of the U.S. Court of Appeals Opinion in *GTE Service Corporation v. FCC* , 205 F.3d 416 (D.C. Cir. 2000). ATG asserts that SBC's Accessible Letter is premature and that SBC should wait to change its policy until there is "a final decision on this matter by those with the authority to make such decisions." The D.C. Circuit has such authority and since the first half of last year its opinion has been an effective, final decision that established the current state of the law on the issues it addressed. The Court vacated the Commission's "used or useful" collocation standard and provided a clear mandate that, in remand proceedings, the Commission must adhere to the limitation on equipment that can be collocated under section 251(c)(6) of the 1996 Act – namely equipment that is "necessary, required or indispensable to 'interconnection or access to unbundled network elements.'" While the Commission continues its proceedings, SBC can require a CLEC to limit its collocation activities to only those required under existing law. Accordingly, the question at issue here is whether BDFBs are required or indispensable to achieve access to UNEs or interconnection to the ILEC network. As discussed below, the answer to that question is no.

While equipment "necessary" for interconnection or access to UNEs requires power, that does not mean that collocation of power equipment is "necessary." Indeed, a significant majority of CLECs collocating in SBC's central offices do not collocate their own BDFBs. The fact that they do not confirms that such facilities are not in any sense "necessary" to connect CLECs' equipment to the ILEC network. The reason most CLECs do not collocate their own BDFBs is that SBC provides to all CLECs collocated in the office certain basic conditions, which include power, proper HVAC, lighting, floor loading, as well as other common system components. Just as a CLEC could not reasonably argue that it should be permitted to collocate its own heating, ventilation, and air conditioning (HVAC) as being "necessary," so too it cannot reasonably argue that CLEC-provided BDFBs are "necessary" to interconnect with the ILEC network or access its UNEs.

In order to deliver power efficiently throughout its central offices, SBC typically installs BDFBs throughout the offices in locations calculated to minimize the number of BDFBs in an office and to maximize the amount of equipment that each BDFB serves. This process is in parity with how SBC provides power to its

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[5] For example, a single 50 amp (#6) cable is 1/5 the size of a 100 amp cable (*750 cable*). A 100-amp cable virtually has the minimal flexibility of a steel rod. A single vendor technician can pull multiple 50 amp cables simultaneously for the short distances (55 feet on average + 20 feet of coil = 75 feet total) from SBC's BDFB. Conversely, a 100-amp cable can only be pulled one at a time with multiple technicians, each located at the multitude of racking twists, turns, and rises. The cost of cable to provide a feed of 100 amps is approximately 30 times higher than the cost of a cable to provide 50 amps.

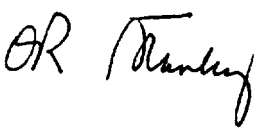
[6] A hypothetical example for five CLECs follows. Scenario 1 - Cabling to an SBC-provided BDFB and then to five CLECs each requesting 600 amps. ((165ft * Y) + ((75ft * Y/30)*60 cables). Scenario 2 – Cabling directly to five CLEC BDFBs (165ft * Y)(15 cables). If Y hypothetically equals $10, then SBC would pay $3,150 under Scenario 1. Under Scenario 2, with CLEC-provided BDFBs and cabled directly from SBC's power plant, then SBC would have to spend $24,750 to provide the same power.

own equipment, except for switches.[7] The risks and costs of redundant BDFBs includes exposing SBC's power plant and network to higher potential failure rates through increased terminations, in addition to the unnecessary consumption of floor space, rack space, and power plant capacity.

In summary, SBC's revised BDFB collocation policy ensures that power for equipment that is necessary for interconnection or access to unbundled network elements is available in a timely and cost-efficient manner and complies with all legal requirements. SBC's tariffs and interconnection agreements provide for a wide variety of power feed sizes to match almost any equipment installation and provide completion within a set timeline. This readily available supply of power obviates the need for collocation of any BDFBs.

If you would like to discuss these issues further, please contact me at (214) 464-4289.

Sincerely,



[7] Switches are connected directly to the main power plant because switches require an isolated ground for safety and reliability. BDFBs and regular telecommunications equipment use an integrated ground which means that they are linked together.

POWER EXAMPLE # 1
CLEC REQUESTS 600 AMPS AND SPACE FOR BDFB

LINE ITEM	QUANTITY	RECURRING (MONTHLY)	NON-RECURRING
Application Fee	1	$0	$ 855.44
Project Management Fee	1	0	2,547.41
DC Power Consumption (Per 200 AMPS Each)	3	2,869.42 ea.	0
DC Power Provisioning (Per 200 AMPS Each)	3	77.83 ea.	9,718.17 ea.
DC Power Panel (Each 200 AMPS)	3	29.59 ea.	3,695.31 ea.
Power Engineering Fee (Per Arrangement)	1	0	792.97
Floor Space for Standard Bay (Floor Space: 10 sq. ft.)	1	58.35	0
Site Conditioning (10 sq. ft.)	1	0	228.22
Common Systems (10 sq. ft.)	1	12.51	1,561.70
Security	1	0	468.58
MONTHLY TOTAL		**$9,001.38**	**N/A**
ANNUAL RECURRING TOTAL		**$108,016.56**	**N/A**
NON-RECURRING TOTAL		**N/A**	**$46,694.76**
FIRST YEAR GRAND TOTAL			**$154,711.32**

POWER EXAMPLE #2
CLEC ADDS 50 AMPS EACH MONTH FOR 12 MONTHS – INITIAL MONTH

LINE ITEM	QUANTITY	RECURRING (MONTHLY)	NON-RECURRING
Initial Application Fee	1	0	$ 855.44
Project Management Fee	1	0	2,547.41
DC Power Consumption (Per 50 AMPS Each)	1	$ 717.35	0
DC Power Provisioning (Per 50 AMPS Each)	1	21.41	2,673.32
Power Engineering Fee (Per Arrangement)	1	0	792.97
MONTHLY TOTAL		**$ 738.76**	**N/A**
ANNUAL RECURRING TOTAL		**$8,865.12**	**N/A**
NON-RECURRING TOTAL		**N/A**	**$6,869.14**

POWER EXAMPLE #2 (CONT.)
CLEC ADDS 50 AMPS EACH MONTH FOR 12 MONTHS – EACH SUBSEQUENT MONTH

LINE ITEM	QUANTITY	RECURRING (MONTHLY)	NON-RECURRING
Subsequent Application Fee	1	0	$ 353.04
Subsequent Project Management Fee	1	0	1,543.09
DC Power Consumption (Per 50 AMPS Each)	1	$ 717.35	0
DC Power Provisioning (Per 50 AMPS Each)	1	77.83	0
DC Power Panel (Each 200 AMPS)	1	21.41	2,673.32
Power Engineering Fee (Per Arrangement)	1	0	792.97
MONTHLY TOTAL		**$738.76**	**N/A**
TOTAL NON-RECURRING		**N/A**	**$5,362.42**

POWER EXAMPLE #2 (CONT.)
CLEC ADDS 50 AMPS EACH MONTH FOR 12 MONTHS – YEAR ONE TOTAL

ANNUAL RECURRING TOTAL	**$57,623.28**
NON-RECURRING TOTAL	**$65,855.76**
ANNUAL GRAND TOTAL	**$123,479.04**